Zone	No. of case detected during January to June, 1997	Amount of foreign exchange recovered (Rs. in lakhs)
Delhi	432	31.05
Mumbai	506	78.70
Calcutta	384	4.36
Chennai	629	51.29
Jalandhar	222	29.59
Ahmedabad	327	49.27
Bangalore	18	0.00
Total	2518	244.26

The data are not maintained State-wise.

In addition to the above seizures, Customs Field Formations and Directorate of Revenue Intelligence (DRI) also detected 1035 cases of attempt to smuggle out foreign exchange worth 33.39 crores which amount was seized by them. State-wise break up to seizures is given below :-

(Rs. in Lakhs)

State	Value of Foreign Exchange (Figs. are provisional)
Andhra Pradesh	15.56
Assam	5.60
Delhi	307.40
Gujarat	65.14
Karnataka	19.55
Kerala	114.20
Maharashtra	1486.53
Meghalaya	5.19
Mizoram	1.70
Punjab	51.48
Rajasthan	0.15
Tamilnadu	1044.98
Tripura	11.51
West Bengal	210.86
Total	3339.85

(d) The Government maintains a strict vigil to keep a check on illegal transactions of foreign exchange. Appropriate action as envisaged under the law is taken as and when such cases are detected.

Reduction of Bank Rate by RBI

*145. SHRI RAJKESHAR SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has recently reduced the rate of interest;

(b) if so, the details thereof;

(c) whether this measure is likely to give a boost to the industiral activity in the country; and

(d) the impact of reduction in interest rate on the profitability of the banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) With a view to aligning the bank rate to the changing economic conditions, the Reserve Bank of India (RBI) reduced the bank rate by one percentage point from 11 per cent per annum to 10 per cent annum with effect from the close of business on June 25, 1997. All interest rates on advances from the Reserve Bank such as export credit refinance, and general refinance to banks which are specifically linked to the bank rate were also revised downwards.

(c) and (d) Interest rate is one among several factors responsible for influencing industrial activity. Cost of credit forms one part of the total cost of operations and therefore lowering of interest rates would influence investment Sentiment and thereby the industrial activity. There are, however, other factors, such as infrastructural support, availability and cost of raw materials, pick up in overall demand and flow of funds from the non-banking sources, which together wield a strong influence on the level of industiral activity.

Profitability of banks is dependent mainly on the spread available to them between the average cost of funds and the average earnings on their deployment besides other factors such as the levels of non-performing assets, provisioning requirements and cost of operations. To the extent the spread between the cost and earnings is maintained by lowering interest rates offered on deposits in line with lowering of lending rates, bank's profitability may not be adversely affected.

Bank Loan for Higher Education

*146. SHRI SHANTILAL PARSOTAMDAS PATEL:

SHRI RADHA MOHAN SINGH :

Will the Minister of FINANCE be pleased to state:

(a) whether some nationalised Banks have launched schemes of financial loans to students for higher studies in and outside India;

(b) If so, the details thereof alongwith conditions etc. of such loans;

(c) the details of such loans granted for studies in India and abroad, separately, during the last three years, year-wise and bank-wise; and

(d) the details of the recovery thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) The Reserve Bank of India has reported that nationalised banks have formulated schemes to provide educational loans to needy students for higher studies in and outside India. While banks have different norms, generally no margin money is required for such loans upto Rs. 25,000/-, while for loans over Rs.25,000/, margin money ranging from 15-25% may be required to be paid. Further, banks generally stipulate repayment by monthly instalments commencing one year after completion of the course or one month after taking up employment by the student, whichever is earlier.

The rates of interest on such at present are as under :-

Loan up to Rs. 25,000/-	12% per annum
Loan above Rs. 25,000/- and up to Rs. 2,00,000/-	13.50% per annum
For loan above R.s 2,00,000/-	Banks are free to determine the rates of interest.

While educational loans are granted on clean basis, guarantee/collateral security is taken on the merits of each case.

A statement indicating details of figures of outstanding of education loans for the period ended March 1994 to March 1996 by nationalised banks, as provided by RBI, is attached. The RBI have reported that the percentage of recovery of these loans varies from bank to bank, ranging from 22% to 89%.

Statement

Outstanding Loans given to Education by Nationalised Banks for the period ended March, 1994, March, 1995 and March, 1996

(Rs. in 000's)

S. No.	Name of Bank	March, 1994		March, 1995		March, 1996 (Provisional)	
		No. of A/cs	Amount Outstanding	No. of A/cs	Amount Outstanding	No. of A/cs	Amount Outstanding
1	2	3	4	5	6	7	8
1.	Allahabad Bank	117	34362	106	6495	101	7188
2.	Andhra Bank	906	63040	725	51435	887	55100
3.	Bank of Baroda	3531	117213	3157	126000	3329	83760
4.	Bank of India3573	86057	3915	96086	3940	112842	
5.	Bank of Maharashtra	641	12630	1056	26346	1077	21756
6.	Canara Bank	21692	549407	22996	651571	25498	857763
7.	Central Bank of India	2697	25232	2694	31534	3257	71911
8.	Corporation Bank	596	12885	708	17233	676	18238
9.	Dena Bank	1020	11028	1005	14382	922	15544
10.	Indian Bank	360	5820	531	34310	1157	71616
11.	Indian Overseas Bank	1051	16080	1221	36533	1189	30163
12.	Oriental Bank of Commerce	88	3108	88	3196	284	4491
13.	Punjab National Bank	769	20915	763	20278	586	25489
14.	Punjab & Sind Bank	51	727	27	1710	27	1645
15.	Syndicate Bank	8186	129098	7573	125018	6313	110945
16.	United Bank of India	819	8825	734	9008	763	9526
17.	Union Bank of India	990	21960	1073	30737	1221	45848

1	2	3	4	5	6	7	8
18.	UCO Bank	461	10958	687	9576	687	9576
19.	Vijaya Bank	835	12180	892	21608	946	33554
	Total	48563	1141525	49951	1313056	52860	1586955

[Translation]

Coal Supply by CCL

*147. SHRI RAM TAHAL CHOUDHARY :

SHRI PAWAN DIWAN :

Will the Minister of COAL be pleased to state :

(a) whether the Government have recently received some complaints against Central Coalfields Ltd. regarding large scale irregularities committed in the marketing of Coal to power plants/industrial units;

(b) if so, the details of major complaints received in this regard and the number of cases assigned to the intelligence/CBI for investigation and the number of complaints investigated during the last three years;

(c) the number of irregularities disclosed during the above period and the amount involved therein alongwith the action taken against the culprits; and

(d) the details of the measures proposed to be taken for effective marketing, scrapping the premium and to check blackmarketing due to imbalance in the demand and supply?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (c) : In January, 1997, Ministry of Coal received some newspaper reports that during the raids conducted by the Income Tax Department on 17.1.97 at Ranchi and other places, involvement of some officers of Central Coalfields Limited (CCL) in irregular supply of soft coke and non-coking coal was found with a coal trader of dubious distinction. Coal India Limited has been asked to conduct a thorough investigation to bring out the facts of the case. No other major complaint has recently been recieved by Ministry of Coal against the company regarding supply of coal to power plants and industrial units.

(b) The measures being taken by the nationalised coal companies, including CCL, for these purposes includes:-

(i) Frequent surprise check at different sales centres and loading points.

(ii) Rotational transfer of sales staff from sensitive to non-sensitive places.

(iii) Installation of electronic weighbridges with automatic weight punching device.

(iv) Inspection of coal consuming industrial units whenever complaints are received about misuse and black-marketing of coal.

(v) Review of systems and procedures relating to sales and marketing of coal.

Loan to Farmers

*148. SHRI N.J. RATHWA : Will the Minister of FINANCE be pleased to state :

(a) the number of small farmers to whom loan has been provided to install tubewells in the country by the Regional Rural Banks during the last three years, till date, State-wise, particularly in the tribal, rural and backward areas of Gujarat;

(b) the number of small farmers belonging to the Scheduled Castes/Scheduled Tribes among them;

(c) the details of the difficulties arising in the distribution of loan during the said period; and

(d) the steps taken or proposed to be taken to remove these difficulties?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that loans for sinking tube-wells are generally availed of by farmers having large holdings, while small and marginal farmers normally avail of loans for other minor irrigation activities such as dug wells and pumpsets.

NABARD extends refinance support to Regional Rural Banks (RRBs) against their landings for minor irrigation purposes including tube-wells, dug-wells, pumpsets and other minor irrigation activities in favour of small and marginal farmers constituting their target clientele group. The State-wise amount of refinance disbursed by NABARD in favour of RRBs, during the last three years, under minor irrigation, is furnished in Statement-I. NABARD has reported that disaggregated data in the manner sought for, particularly regarding Scheduled Casts (SC)/Scheduled Tribe (ST) beneficiaries under the category of small and marginal farmers, is not available with them. However, the State-wise details of total loan outstanding together with number of SC/ST beneficiaries assisted by the RRBs for various activities including minor irrigation, as at the end of March, 1994, 1995 and 1996 (latest available) are given in Statement-II. Further, as reported by NABARD, none of the RRBs in Gujarat are reported to have financed installation of any tube-wells in the State during the last three years.

(c) and (d) Some of the major constraints observed in financing of tube-wells and steps taken by NABARD to remove such constraints are given below.

i) The land holding of small farmers is too small compared to irrigation command of tubewells. The irrigation water thus cannot be fully used within the land holding of the small farmers.